DOCUMENT RESUME

ED 167 029 HE 011 022

TITLE Implementing a New Governance System for Higher Education in Montana. Final Report of the First Commissioner of Higher Education Dr. Lawrence K. Pettit to the Montana Board of Regents of Higher Education.
INSTITUTION Montana Univ. System, Helena.
PUB DATE 31 Dec 78
NOTE 35p.
AVAILABLE FROM Montana Board of Regents of Higher Education, Helena, Montana 59601

EDRS PRICE MF-$0.83 HC-$2.06 Plus Postage.
DESCRIPTORS Academic Education; *Administrative Organization; *Centralization; Educational Administration; *Governance; Governing Boards; *Higher Education; Leadership Responsibility; Multicampus Colleges; *Organizational Change; Policy Formation; Power Structure; *State Boards of Education; *State Universities; Statewide Planning
IDENTIFIERS *Montana

ABSTRACT

The changes and progress made under the new system of governance of the Montana university system are examined. The report compares progress made by the system in the five years preceeding the change of governance (1968-1973) with the progress made during the first five and one-half years of the new system (July, 1973 to December, 1978). Under the new centralized system, authority patterns had to be redefined: the authority of the Commission of Higher Education was established, and the constitutional independence of the Board of Regents was affirmed. Brief summaries and data are presented on the following areas: formulation and recodification of regents' policy, new leadership, academic programs, budget and financial support, students, faculty, physical facilities, fiscal management, collective bargaining, legal services, and public support. (SW)

****
* Reproductions supplied by EDRS are the best that can be made *
* from the original document. *
****

ED167029

IMPLEMENTING A NEW GOVERNANCE SYSTEM FOR HIGHER EDUCATION IN MONTANA

FINAL REPORT OF THE FIRST
COMMISSIONER OF HIGHER EDUCATION

DR. LAWRENCE K. PETTIT

TO

THE MONTANA BOARD OF REGENTS OF HIGHER EDUCATION

U S DEPARTMENT OF HEALTH,
EDUCATION & WELFARE
NATIONAL INSTITUTE OF
EDUCATION

THIS DOCUMENT HAS BEEN REPRODUCED EXACTLY AS RECEIVED FROM THE PERSON OR ORGANIZATION ORIGINATING IT. POINTS OF VIEW OR OPINIONS STATED DO NOT NECESSARILY REPRESENT OFFICIAL NATIONAL INSTITUTE OF EDUCATION POSITION OR POLICY

"PERMISSION TO REPRODUCE THIS MATERIAL HAS BEEN GRANTED BY

Montana Bd of Regents

TO THE EDUCATIONAL RESOURCES INFORMATION CENTER (ERIC) AND THE ERIC SYSTEM CONTRACTORS"

HE 011 022

HELENA, MONTANA
DECEMBER 31, 1978

TABLE OF CONTENTS

	Page
INTRODUCTION	1
FORMULATION AND RECODIFICATION OF REGENTS' POLICY	4
NEW LEADERSHIP FOR THE CAMPUSES	5
ACADEMIC PROGRAMS	6
BUDGET AND FINANCIAL SUPPORT	8
STUDENTS	10
FACULTY	13
PHYSICAL FACILITIES	16
FISCAL MANAGEMENT	19
COLLECTIVE BARGAINING	23
LEGAL SERVICES	26
PUBLIC SUPPORT	30
SUMMARY	32

INTRODUCTION

In July of 1973 the central staff of the Montana University System consisted of eight people, headed by an Executive Secretary. The administrative tasks were rather simple and routine. When the new Board of Regents was created, and the position of Commissioner of Higher Education established by Montana's new constitution, the responsibilities and workload of the central office quadrupled almost overnight. We had new authority and responsibility in academic program review, budgeting and accounting, labor negotiations, the full range of legal work, an expanded role of community college coordination and the administration of student financial aid programs, and a mandate and public expectation to reexamine and evaluate the total management and governance of the University System.

Yet since the 1973 appropriation to the office was based upon the requirements of the old system, we were forced to manage for the first two years without any additional resources commensurate with the added responsibility and authority.

This report to the Board of Regents by the Commissioner of Higher Education examines the changes that have been brought about and the progress that has been made under the new system of governance since its inception in July, 1973. In many instances the report compares progress made by the system in the five years preceeding the change of governance (1968-1973) with the progress made during the first five and one-half years of the new system (July, 1973 to December, 1978).

It is important to look at this record within the context of what was happening to higher education nationally.

Higher education in the United States has gone through essentially three basic periods. The first, during most of its history, was a period in which colleges and universities were revered and respected, if not necessarily well supported. The second period was during the late 1950's and most of the decade of the '60's. That was an era of burgeoning growth in higher education, and in nearly all states (Montana excepted) a remarkable increase in financial support as well. During that second phase of higher education's history in America, management, administration and leadership involved essentially the development of new programs and the wise and imaginative use of ample resources.

The third era began approximately with the decade of the 1970's. By then higher education around the country had fallen in public esteem. There was great disillusionment on the part of legislators, taxpayers, and the general public because of student riots and rebellions, the development of watered-down programs aimed at specific ethnic groups, and the growing belief that higher education had become arrogant, fiscally

irresponsible, and unaccountable. Legislators and their staffs, and executive staff members as well, talk across state lines just as educators do, and this negative view of colleges and universities by the 1970's had become pervasive. Financial support had begun to decline correspondingly.

Montana was no exception. In July of 1973 the University System was not held in high esteem, either in the legislature or among the public. The financial credibility of the System was at a low point. For years the attitude had been developing that the fiscal affairs of the campuses were in a state of disarray, that the data provided were either dishonest or unintelligible, that professors were overpaid and underworked, and that the University System obviously was wasting the taxpayers' money.

If we look back at the Montana University System prior to 1973, one would have to conclude that there was a history of strong campus autonomy with almost uncontrolled growth and development; that until 1971 there had been adequate, but not generous budgets, very little fiscal accountability, periodic negative publicity over the handling of funds, growing faculty disenchantment on most campuses with administrative style and with the manner of selecting presidents and other high-level administrators, very little formalized student participation in campus decision-making, and an increasing demand for greater student voice. There had been no collective bargaining with faculty by 1973, although there had been some craft union bargaining.

Earlier attempts at centralized authority had all failed, with the chancellorship system being thrown out along with the chancellor. The campuses had been accustomed to mobilizing supporting coalitions of local legislators and community leaders and going their own way in the state political arena and the legislature. The Executive Secretary had never been expected to provide the Regents with independent academic judgment, but rather to maintain pretty much a "service station" for the presidents and Regents in Helena. Symbolic of that was his role as clerk to the Council of Presidents, rather than chairman, or an equal member of that body.

It appears that the Regents themselves had very few formalized mechanisms for governing the system or making decisions under the old system, except in cases of approving budgets and staff lists, and hiring and firing presidents. There was no central review of academic programs prior to 1973, nor did the Regents have an independent staff recommendation on new curriculum proposals.

Ever since the end of the last unsuccessful chancellorship attempt, studies had repeatedly pointed toward the need for centralized control and authority in the University System; yet nothing was done about it until adoption of the 1972 Constitution.

The arrangements prescribed by the new constitution created instant apprehension in several quarters. The campuses understandably were reluctant to submit to a new centralized authority in Helena. The history of the last five and one-half years is a chronicle of internal conflict and resistance to the new patterns of authority, but with a significant change toward acceptance and cooperation within the last year and one-half. Additionally, the political branches of government (Legislature and Executive Branch) resented the new constitutional autonomy of the Board of Regents, and thus of the Commissioner and the University System. Repeatedly we have had to resist attempts to subvert that constitutional independence, and have had to pay the price politically for having made the fight and won it.

In a sense, then, the most difficult problem during the last five and one-half years was simply that of survival, to cope with the cross-currents in the political-academic maelstrom, and to protect the fledgling new system from being assassinated. That task is essentially completed. We have come a long way against impressive odds in redefining authority patterns within the Montana University System, establishing the authority of the Commissioner of Higher Education, and affirming the constitutional independence of the Board of Regents. At the same time, we have worked towards bringing about understanding of the principle of consitutional autonomy on the part of the Executive and Legislative branches, and to work out a *modus operandi* with each to insure maximum cooperation and compatibility without jeopardizing the Regents' constitutional position or the Commissioner's independence from the political branches of government. Much of our attention during the last five years has been devoted to this general objective.

FORMULATION AND RECODIFICATION OF REGENTS' POLICY

A little-heralded, but critically important task during the last several years has been the complete revamping of Regents' policy. All extant policy from the previous Board had to be rescinded or recodified. In addition, the Regents have had to establish a large body of new policy. The constitutional independence of the Regents means that Board policy cannot be countermanded by executive order or statute. In addition, although certain categories of statute extend to the University System, generally higher education is not governed by statute. Board of Regents' policy, therefore, assumes a special importance almost as a body of law and precedents. It is necessary, therefore, that Board policies be arranged in a logical format, cross-indexed, and codified.

During the last five and one-half years the Board of Regents have adopted over 200 policy items and rescinded over 60. These have to do with such diverse topics as "Procedure for Purchase of Real Property," "Interunit Projects," "Purchasing Regulations," "Collective Bargaining Procedures," "Indemnification of University Administrators," "Vacation Leave," "Public Notice and Participation," "Intercollegiate Athletics, "Duties and Responsibilities of Presidents," "Appeals Procedures," and "Academic Program Termination," as well as many others. A well organized body of policy now exists and is available as a public document.

NEW LEADERSHIP FOR THE CAMPUSES

Apparently the former Board of Regents had no systematic manner of selecting presidents for the six campuses, did not routinely provide for the participation of the various constituent groups on the campuses and in the communities, and most importantly, seemed to be unaware of how higher education is organized nationally. Searches in the past, therefore, were rather haphazard, and the Board had little guidance on where to turn to solicit nominees and candidates. During this beginning period of the new system, we have selected new presidents on five of the six campuses (twice at Northern), so that only Montana Tech has a president whose tenure predates the new system of governance. But as important as bringing in fresh leadership is the process by which we go about it. For the first time now the University System has a highly professional, systematic procedure for the selection of presidents. In addition, and also for the first time, we have implemented a procedure for the periodic evaluation of all presidents and the Commissioner. The policy on presidential evaluations requires substantial revision. An important step was taken, nevertheless, when the principle of periodic evaluation was established by the Regents.

ACADEMIC PROGRAMS

The major achievement in the academic area was the completion in November, 1978 of the Commissioner's recommendations on role and scope for each of the six campuses of the System. Formulation of that document involved a three-year process which allowed maximum participation by all constituent groups on the campuses. When the Regents adopt the final version of the document, it will constitute the most comprehensive academic master plan ever in the Montana University System.

In addition, during these last five and one-half years, we have taken the following actions:

Established a systematic procedure for the review of academic programs so that over a period of time every program on every campus will have been reviewed.

Implemented highly restrictive guidelines and procedures for the approval of new programs.

Reviewed all duplicating Ph.D. programs.

Initiated a general review of all teacher training programs.

Eliminated nine education programs at the doctoral level.

Eliminated duplicating bachelor's programs in History and English at two institutions, substituting programs which draw upon the peculiar strengths of those institutions.

Brought about the integration of academic programs between Western Montana College and the University of Montana, resulting in a catalog of articulated programs which includes a variety of offerings from genetics to astronomy to computer programming to literary heritage.

Instituted several joint programs involving more than one institution, such as the Masters of Public Administration, a master's degree program in geochemistry, and in the planning stage, a doctorate in special education.

Adopted policies which facilitate the transferability of credits.

Increased cooperative programs between Montana and other western states, largely through the auspices of WICHE and WAMI.

Initiated cooperative ventures between the University System and various state agencies. Examples of this are the university affiliated program in developmental disabilities, and a joint

(through the Commissioner's office and the Lieutenant Governor's office) Ford Foundation funded program in the natural resources area. In addition, we have initiated discussions between the various campuses and human service agencies toward the objective of establishing a gerontology center to facilitate teaching research and service in that field.

Developed a memorandum of understanding between the Regents and the local trustees of the community colleges, allocating authority and responsibility in the governance of community colleges.

Established joint standing committees between the Board of Regents and the Board of Public Education in the areas of teacher training and certification and vocational-technical education.

Revised our continuing education policy, providing means by which resident credit can be earned for off-campus instruction, and facilitating generally the work toward a college dgree through continuing education courses. As is reflected in Table 6 on page 11, there has been a 105 percent increase in students registered in continuing education since 1973.

Finally, we have established the practice of the Commissioner's office giving academic advice, especially to the smaller campuses, in the formulation and redirection of academic programs.

BUDGET AND FINANCIAL SUPPORT

In addition to establishing and protecting the new system of governance, our major goal during this five and one-half year period has been to secure adequate financial support for the University System.

TABLE 1

ANNUAL OPERATING BUDGET
MONTANA UNIVERSITY SYSTEM

1968	1973	% Increase	1978	% Increase
$28,748,749	$42,632,835	* 48%	$72,161,297	* 69%

*Rates of Inflation: 1968-1973 27.7% 1973-1978 46.8%

TABLE 2

UNIVERSITY SYSTEM GENERAL FUND APPROPRIATION
AS A PERCENTAGE OF STATE GENERAL FUND

1968	1973	1978
29.9%	25.2%	20%

An examination of Tables 1 and 2 reveals that the University System's growth in annual operating budget was considerably larger during the period of the new system than it was during the five-year period immediately prior to the inception of the new constitutional system, but that the University System's share of the state general fund has continued to decline. What this means is that while we have done considerably better during this period than the University System did in the preceeding five years, nevertheless we have not kept pace with the growth of appropriations for state government as a whole.

There is a very basic and inescapable reason for the University System's inability to compete with other state agencies for legislative appropriations. Of all the claimants on the state purse, the University System affords the legislature the fewest number of restrictions and the greatest latitude in establishing the level of funding. For example, the level of state appropriations for the school foundation program has an impact on the level of local property taxes. Additionally, certain human service programs require a state match sufficient to attract federal money. The legislature thus appropriates to the University System not so much from a calculation of higher education's needs, but more from an assessment of

what the state can reasonably afford to appropriate to the University System after having balanced its other obligations against the projected level of revenue. To offset this predicament, the University System will have to start searching for a number of earmarked revenue sources, and begin relying less on the state general fund.

STUDENTS

In spite of annual predictions to the contrary, the full-time equivalent enrollments in the Montana University System have continued to increase gradually over the last several years. Table 3 reveals that while there was only an eight-tenths of one percent increase between 1968 and 1973, there was a six percent increase in enrollment between 1973 and 1978. The FTE figure is important because it is used for budgeting and appropriating purposes, and it also reflects the student credit hour production.

TABLE 3

*FTE FALL ENROLLMENTS
MONTANA UNIVERSITY SYSTEM

1968	1973	% Increase	1978	% Increase
21,639	21,822	.8%	23,123	6%

*FTE = "full-time equivalent," arrived at by dividing the numbers of undergraduate student credit hours by 15 and the graduate student credit hours by 12. Thus a part-time student constitutes less than one FTE, and the total number of students served, or the "headcount," will differ from the FTE.

It is necessary, however, to look at the Table 3 figures in conjunction with the figures in Table 4, which reflect the actual number of persons enrolled as students and being served by the University System. Looking at Table 4, we see that there was an increase of 3.2 percent between 1968 and 1973, but a much larger increase of 15.3 percent during the last five years in the actual number of students enrolled. We are reaching more people, which is a positive sign in respect to providing educational opportunity, but a larger proportion of them are less than full-time students, which has a depressive effect on budgeting. This is consistent with national trends, and is a pattern that will be accented in the fugure.

TABLE 4

TOTAL ENROLLMENTS (HEADCOUNT)
MONTANA UNIVERSITY SYSTEM

1968	1973	% Increase	1978	% Increase
21,077	21,768	3.2%	25,100	15.3%

Table 5 reflects another aspect of the same pattern. While the total number of students within the University System is increasing, the number of degrees awarded has actually declined by 6.2 percent from 1973 to 1978.

TABLE 5

DEGREES AWARDED
MONTANA UNIVERSITY SYSTEM

1968	1973	% Increase	1978	% Increase
3,096	4,425	42.9%	4,149	(6.2%)

Augmenting the pattern of increased part-time enrollment is the enormous growth in continuing education enrollments as reflected in Table 6. Although we do not have accurate data for 1968, and therefore cannot compare the rate of growth for our two five-year periods, one can see in Table 6 that there has been more than a 100 percent increase in the number of students registered in continuing education since 1973. This, too, will be a pattern that continues into the future.

TABLE 6

*STUDENTS REGISTERED IN CONTINUING EDUCATION
MONTANA UNIVERSITY SYSTEM

1973	1978	% Increase
7,295	14,950	105%

*These students are not calculated in the figures for Tables 3 and 4.

Tables 7 and 8 present data on average student tuition per quarter for resident and non-resident students respectively. As we would expect, fees charged to students continue to increase along with other costs. What is noteworthy, however, is that in all cases the percentage increase has been less for the five years under the new system than it had been for the preceeding five years, even for non-resident students who now, under new Board policy, are charged the approximate full cost of instruction.

TABLE 7

AVERAGE RESIDENT STUDENT TUITION PER QUARTER

1968	1973	% Increase	1978	% Increase
$65.00	$90.00	38.5%	$111.00	23.3%

TABLE 8

AVERAGE NON-RESIDENT STUDENT TUITION PER QUARTER

	1968	1973	% Increase	1978	% Increase
Colleges	$180.00	$300.00	66.6%	$312.00	4%
Universities	$180.00	$300.00	66.6%	$432.00	44%

The steady increase in fees charged to students has been accompanied by a significant increase in the amount of student financial assistance available and in state support for students in the student exchange program of the Western Interstate Compact for Higher Education (WICHE), as indicated in Tables 9 and 10.

TABLE 9

MONTANA STUDENTS IN WICHE

	1968	1973	% Increase	1978	% Increase
Students	80	123	54%	161	31%
Support	$145,600	$284,000	95%	$1,343,600	373%

TABLE 10

STUDENT ASSISTANCE ADMINISTERED BY COMMISSIONER'S OFFICE

1968	1973	% Increase	1978	% Increase
$161,167	$325,000	102%	$2,836,000	773%

In addition to the data presented above, it should be noted that during the last five years we have taken steps to increase the role of students in campus and systemwide governance. We created the Inter-Unit Student Advisory Committee to advise the Commissioner and his staff on student matters. This group is also given a regular spot on the Regents' agenda. Students now are guaranteed participation in the selection and evaluation of presidents and other top level administrators. In addition, through legislative action during this last five-year period, the students have been given a voting member on the Board of Regents, and were the first students in the nation to have been guaranteed participation in faculty collective bargaining.

FACULTY

No matter how the figures are analyzed, faculty within the Montana University System are still undercompensated. Surely the single greatest frustration of the last five years has been our inability to bring about a larger increase in faculty salaries. In addition, faculty at the University of Montana recently, and to a lesser extent on some of the other campuses a few years earlier, were subjected to the wrenching experience of retrenchment, resulting from a reduction in appropriated faculty positions. Systemwide, however, the number of faculty positions has increased by over 33 percent since 1973, while the number of non-faculty employees decreased by over 7 percent during the same period as is reflected in Table 11. (Accurate data for 1968 are unavailable.)

TABLE 11

FTE FACULTY AND STAFF POSITIONS
MONTANA UNIVERSITY SYSTEM

	1973	1978	% Increase
Faculty	1,111	1,485	33.7%
Non-Academic Employees	1,100	1,019	(7.4%)

For the last ten years the rate of increase in faculty salaries has not kept pace with the rate of increase in inflation. We have, nevertheless, improved the relative position of Montana University System faculty salaries during the five and one-half years of the new system of governance. As Table 12 indicates, the rate of increase in faculty salaries in Montana has been higher than the rate of increase nationwide since 1973.

TABLE 12

AVERAGE FACULTY SALARIES
MONTANA UNIVERSITY SYSTEM AND NATIONWIDE

	1968	1973	% Increase	1978	% Increase
Montana University System	$10,636	$12,583	18%	$17,436	39%
Nationwide*	11,033	14,552	32%	18,900	30%

*AAUP data. Includes all levels of colleges and universities. Figures for just those national institutions comparable to the six within the Montana University System would be higher.

Note that the rates of inflation were:	1968-73	1973-78
	27.7%	46.8%

As Table 13 indicates, while the Montana University System average faculty salary declined ten percentage points in relation to the nationwide average from 1968 to 1973, the downward spiral was reversed during the last five years. Still, our salaries lagged behind those of the rest of the nation, and a continuing priority must be assigned to the improvement of faculty compensation in Montana.

TABLE 13

MONTANA UNIVERSITY SYSTEM AVERAGE FACULTY SALARY
AS A PERCENTAGE OF NATIONWIDE AVERAGE

1968	1973	1978
96%	86%	92%

There are several ways of measuring faculty productivity, but one of the most important is the ability of the faculty to attract support for basic and applied research. Table 14 indicates a steady increase in the total dollar volume of sponsored research in the Montana University System, and a much greater rate of increase during the last five years than for the preceeding five.

TABLE 14

TOTAL DOLLAR VOLUME OF SPONSORED RESEARCH
MONTANA UNIVERSITY SYSTEM

1968	1973	% Increase	1978	% Increase
$2,549,107	$4,321,704	70%	$9,816,424	127%

As is the case with the students, the faculty role in governance, both on campus and systemwide, has been reaffirmed and strengthened through Regental action during the period of the new system of governance. The faculty role in the selection and evaluation of presidents and other administrators has been guaranteed through the adoption of new policy at the Board level. The Inter-Unit Faculty Council has been strengthened by requiring that the presidents of the six faculty senates, or their counterparts, be members, and by giving the Inter-Unit Council a regular spot on the Board of Regents' agenda.

In spite of these signs of progress, the lot of the faculty member within our System is still unfortunate. A talented, dedicated and reasonably contented faculty is the *sine qua non* of quality higher education. Regents and administrators have recognized this during the last five and one-half years. I doubt that there is anything that the Regents, Commissioner or

presidents could have done differently or additionally to have resulted in any better conditions for the faculty. It is important, however, that the legislature develop a concern for fair treatment of college and university faculty in relation to other state employees, and to employees of the state's public school system. Failure to do so will result not only in the decline in the quality of instruction, research and public service at the six campuses, but will accelerate a serious decline in faculty morale which could eventually scar the social fabric of the state for years to come.

PHYSICAL FACILITIES

The Montana University System has a physical plant with an insurable value of over $219,000,000 as can be seen by Table 15. This represents an increase since 1974 of over $53 million, or about 32 percent. Since the rate of inflation over that period was over 46 percent, these figures do not indicate impressive progress within the University System in the improvement and development of physical plant.

TABLE 15

*TOTAL INSURABLE VALUE OF ALL BUILDINGS LOCATED AT THE VARIOUS COLLEGE AND UNIVERSITY UNITS, MONTANA UNIVERSITY SYSTEM

Location	July 1974	July 1978
Eastern Montana College	$ 19,568,800	$ 24,714,100
Montana College of Mineral Science & Technology	7,519,400	10,978,400
Montana State University	62,316,200	87,180,400
Various Research Centers of MSU	1,575,200	2,001,600
Northern Montana College	12,689,800	15,530,500
University of Montana	52,393,900	67,273,700
Western Montana College	9,783,800	11,425,100
TOTAL	$165,847,100	$219,103,800

*Data from Insurance and Legal Division, Department of Administration. 1973 data are unavailable.

Bonded indebtedness within the System has decreased by 13 percent since 1973, although it had increased by 9 percent from 1968 to 1973. Current bonded indebtedness is just over $50 million, as can be seen in Table 16.

TABLE 16

TOTAL BONDED INDEBTEDNESS MONTANA UNIVERSITY SYSTEM

FY 68	FY 73	% Increase	FY 78	% Increase
$53,000,000*	$58,000,000*	9%	$50,345,000	(13%)

*estimated

Another measure of progress, or its absence, is the tabulation of space as presented in Table 17. There it can be seen that there has been only a 7.8 percent increase in the number of usable square feet from 1973 to 1978.

TABLE 17

MONTANA UNIVERSITY SYSTEM TABLUATION OF SPACE
1973-78 (in square feet)

Unit	1973	1974	1975	1976	1977	1978
EMC	742,449	742,449	742,449	742,449	742,449	757,449
MSU*	2,986,881	3,206,601	3,315,311	3,315,311	3,315,311	3,252,506
MT TECH**	346,824	346,824	346,824	346,824	346,824	379,064
NMC	536,213	536,213	536,213	536,213	536,213	536,213
U OF M***	2,381,724	2,609,522	2,640,802	2,611,501	2,572,873	2,651,141
WMC	413,232	413,232	413,232	413,232	413,232	413,232
TOTAL	7,407,323					7,989,605

* Includes Married Student Housing - 108,710 s.f. added in 1975
35,003 s.f. added in 1978
99,808 s.f. demolished in 1978

** Includes Auxiliary Enterprises - Library Building (32,240 s.f.) added in 1978.

*** No breakdown available from unit.

Table 18 shows that for the entire six campuses during the period 1973 to 1978, only $15 million has been spent on capital improvements. Source of funds, revealed in Table 18, shows just over 58 percent of that amount coming from the state's long range building program.

TABLE 18

CAPITAL IMPROVEMENTS, MONTANA UNIVERSITY SYSTEM
1973-1978
(Source of Funds)

	Amount	Percentage
Long Range Building Program	$ 8,943,146	58.3
Federal Revenue Sharing	367,701	2.3
Local Funding	5,058,023	33.0
Federal and Private Revenue	956,498	6.2
TOTAL	$15,325,368	99.8*

*Does not equal 100% because of rounding

In preparing for each of the legislative sessions in 1975, 1977 and 1979, the campuses have requested in the aggregate from $45 million to $55 million in capital improvements and new construction each biennium. The Commissioner and Regents have usually recommended from $16 million to $22 million in capital projects for the six campuses each biennium. The Governor's recommendations have been in the range of $10 million to $12 million for the biennium, but the legislature has appropriated only $8.9 million for the entire period, 1973 through 1978. Several academic programs on the campuses are now functioning under the handicap of deplorably inadequate facilities. In addition, maintenance and renovation costs alone for a $219 million physical plant should just about consume what the legislature has been willing to appropriate to the University System for capital projects. Moreover, there are new costs involved in renovating facilities to provide accessibility to the physically handicapped in order to meet federal regulations.

In the interests of sensible management, the state is going to have to put more resources into the long range building program, and the University System is going to have to receive a higher percentage of the long range building program appropriation.

FISCAL MANAGEMENT

There was no systemwide fiscal management in 1973 when the new constitution was implemented, and there was such diversity in the manner in which the campuses charted their accounts and managed their resources that the System could not provide uniform or intelligible data for the legislature. As a result, fiscal credibility was almost nonexistent.

Our objectives during the initial period of the new System have been to work toward the development of a comprehensive management information system, one component of which would be a uniform accounting system among the campuses, tied to the state budget and accounting system. One aspect of this has been the goal of upgrading computer equipment on the campuses, and developing the capability of networking the campuses and the Commissioner's office.

The development of a comprehensive management information system is still some time off, because we simply have not had the resources to devote to the task. Some important progress has been made with respect to a few of the subsystems, particularly payroll and personnel. But on the whole, our efforts have been devoted to the accounting subsystem. The task of upgrading and revising the accounting system, along with upgrading the state budget and accounting system so that it could accommodate higher education, has consumed nearly $1 million, and at least 30,000 man hours.

The accounting system project is in two phases. Phase one, recommended by the Commissioner and adopted by the Board in December, 1974, involves a uniform chart of accounts for the six campuses. Phase two, mandated by the legislature in the appropriation bill of 1975, requires that the University System be tied in with the state budget and accounting system (SBAS). Phase two has been a joint effort with the Department of Administration and the Governmental Accounting Policy Council. Major problems have emerged in its implementation, particularly at the University of Montana. In some respects, these problems reflect careless past practices at the campus level, but in most respects they grow out of conditions over which the University System has no control.

In any event, progress has been made as follows:

During fiscal 1976, the activities of affiliated foundations were separated from those of the campuses themselves, and all University System monies were deposited in the state treasury. This achievement laid the cornerstone for the development of a uniform accounting system.

By fiscal 1977, four campuses processed financial data exclusively through the use of the statewide budgeting and accounting system, and in all material respects, used a uniform chart of accounts.

As of July 1, 1978, all campuses used exclusively the statewide budgeting and accounting system through the use of a sophisticated teleprocessing network.

The Commissioner's office has acquired the necessary resources, skills, and abilities that will enable the Commissioner to manage, control, and supervise the financial affairs of the University System, while at the same time providing assistance to the campuses which should enable them to maximize the benefits derived from campus resources.

Some significant progress has been made since 1973 in computer resources and utilization. A computer networking system is now possible through the installation of teleprocessing equipment, which allows the computers at each of the units to communicate with the state central computer, and also with each other. While this application is in the developmental state and is currently being used primarily in connection with the state's budget and accounting system, nevertheless there is potential for other applications as well.

One of the major advantages of a System perspective in computing is that application programs, and some software, may be portable. That is, a computer assisted instructional program that is developed at one unit may be used at another without the necessity of duplicating the developmental work. There is some ability to use administrative applications by more than one unit, although the size, diversity and academic program variations among the campuses indicate that not all applications will be usable throughout the System.

Another potential advantage of a systemwide perspective is that trade discounts may be used for volume acquisitions of the same types of equipment being acquired by more than one campus. Moreover there is a potential for savings in the acquisition of software packages.

The office of the Commissioner of Higher Education was tied into the computing resources in January 1978, and now has the capability to participate in the communications linkup. There had been no computing resource in the Commissioner's office until that time, when a CRT terminal and a hard copy terminal (DECWRITER II) were installed to allow communications with the state's central computer and campus computers. Assuming that there will be sufficient staff in the Commissioner's office sometime in the future, the application of computer technology to the information reporting requirements of the office may reduce much of the manual effort that is necessary today. Moreover, when a comprehensive management information system is operating, there will be a marked improvement in the information available for decision-making.

Computer capability at the campuses has been upgraded substantially since 1973, although there are still critical needs, especially at the University of Montana at Missoula. In 1973, the University was using a DEC PDP-10 computing system. That was replaced in 1977 by a newer

generation of the same line, the DEC PDP-20, which increased total capacity by five to ten times. Approximately twice as many computing jobs are now being run, and there are twice as many terminals available to the users. Computer memory which is available to the user is about six times greater than with the previous machine. In 1973, there was only one minicomputer at the University of Montana. Now there are four additional minicomputers, and several microprocessors. Student use is estimated to be about 50 percent greater now than it was on the previous machine.

Montana State University clearly has outgrown the SIGMA 7 computer which it was using in 1973 when it was being operated at about one-third of its design capacity. It is now being operated beyond design capacity, due in large part to enhancements designed by the MSU computer technicians. The number of minicomputers at MSU has about doubled during this period, and there has been approximately a 300 percent increase in the number of terminals and microprocessors. MSU is in the process of replacing the SIGMA 7 with better equipment. In addition, the separate computer in the business office has been replaced by a superior model.

At Eastern Montana College, the computing equipment available in 1973 was an IBM 360/20 which provided some administrative processing capabilities. In 1977 when the DEC PDP-10 which had been at the University of Montana was transferred to Eastern Montana College, the capability for academic computing was available for the first time, although some had been performed previously through linkages with Montana State University. Today there are 35 terminals being used in connection with the PDP-10. There is one minicomputer used for instructional purposes in the Mathematics Department. The equipment is now able to communicate with Helena and other parts of the System through its teleprocessing capabilities.

At Montana Tech, an IBM 1620 was available in 1973. In January, 1976 this was replaced by a DEC PDP-11/70 which is still being used today, although with a number of enhancements. The 1620 provided instructional computing services for fewer than 50 students per semester while in 1978, approximately 400 students per semester are utilizing the resources. Beginning with 3 terminals in 1976, today there are 24 terminals on campus and another 10 off-campus serving local school districts and the city of Butte. The Bureau of Mines is one of the largest users with its rather large mineral data bases. Administrative applications have changed from batch applications to on-line processing using terminals. Data files are now available to multiple users, thus reducing the necessity for duplicate information files. Many of the applications developed at Montana Tech have been discovered to be portable to other units in the System, particularly at Western Montana College and Northern Montana College. Computer assisted instruction applications probably are more easily portable than administrative applications, although even here there is some portability.

In 1973 there were no computer facilities at Western Montana College and Northern Montana College, and until 1977 whatever computing was done had to be accomplished by linking with the Montana State University computer

or, for some minor administrative purposes, with a local computer. Northern Montana College used the euqipment at a local dairy for some administrative applications for a period of time. Today both Northern Montana College and Western Montana College have DEC PDP 11/70's installed with terminals to provide computer capability to the academic community and also to provide teleprocessing capability to Helena and other parts of the System.

COLLECTIVE BARGAINING

Most people in Montana do not realize the extent to which the University System, and therefore the Commissioner's staff, is involved in labor negotiations. We are responsible for conducting all collective bargaining in the System (and the University System accounts for about twenty-five percent of all state employees). For non-academic employees, there are thirty-four bargaining units, but a single contract may cover the same type of employee on four or five campuses. Thus each year we negotiate around sixteen or seventeen contracts for these employees. This centralized approach to collective bargaining has produced uniform pay and personnel policies for similar employees throughout the System. The bargaining process involves at least one representative from the campuses who address unique campus problems or needs at the bargaining table. Pre-budget negotiations with non-academic unions usually consume four or five months in the years prior to legislative sessions, while final negotiations occur following each session. In 1977 one contract was not finally agreed to until eight months following the legislative session and counting the pre-budget cycle, negotiations for that contract covered twenty-one months. Work related to collective bargaining, such as preparation for negotiations, contract administration (including grievance and arbitration proceedings), and meetings with campus and state officials concerning personnel administration, consume much more time even than the actual negotiation sessions.

In addition to bargaining with non-academic employees, the Commissioner has responsibility for negotiating salaries, fringe benefits, and other terms and conditions of employment with faculty bargaining units. At present, four of the six Montana University System faculties are organized: Western Montana College, Northern Montana College, Eastern Montana College, and the University of Montana.

At the inception of faculty bargaining, we petitioned the Board of Personnel Appeals to establish a single bargaining unit for faculty on all six campuses in order that we might avoid the problem of negotiating with separate unions at the various campuses. The Board of Personnel Appeals denied our request in that instance, and as a result we have in Montana what we believe to be a unique model of centralized authority but decentralized bargaining with college and university faculty.

In addition to the fact that faculty bargaining is relatively new in Montana, the terms and conditions under which faculty have traditionally operated in Montana and the nation are unique among employees in that college and university faculty have always played an important part in decisions affecting curriculum, requirements for graduation, the appointment and tenure of other faculty members, the promotion of other faculty members, the appointment of administrators, and other matters. Thus, we have

attempted to define in these early contracts the parameters of faculty shared governance in the collective bargaining arena.

Because of the complexities and unique problems involved in faculty bargaining, we have been unable to negotiate any of our faculty contracts in a period shorter than six months.

We have never really been budgeted for conducting labor negotiations although the legislature in 1977 did appropriate money for the hiring of a labor relations specialist, in exchange for the elimination of two other staff positions. We have had an Acting Director of Labor Relations since June, 1978. In addition, one attorney coordinates all craft bargaining and participates in faculty bargaining. Moreover, the Academic Deputy and the Fiscal Deputy must allocate a disproportionate amount of their time to faculty bargaining at the expense of their other responsibilities. The legal staff is involved in three other time-consuming aspects of collective bargaining:

1. Drafting and reviewing proposals for academic and classified unions. This type of activity may involve four to eight hours per week while bargaining is being conducted.

2. Handling grievances and arbitrations, which includes informal meetings with union leaders as well as formal proceedings. There are usually five to eight grievances pending at any one time.

3. Representing management in unfair labor practice proceedings, which includes investigation and preparation of briefs as well as participating in the hearings. A recent unfair labor practice brought by a faculty association involved over 100 hours of attorney time.

Our experience these last several years has demonstrated that a major effort will have to be put forth in contract administration, mainly because of the complexity of the contracts. In addition, we can foresee increases in labor disputes ranging from contract interpretation, to grievances, to unfair labor practice charges.

Future workloads look impossible, and the Regents should use any means available to increase the labor relations staff in the Commissioner's office. In July, 1979, four faculty contracts and twelve classified union contracts will expire. This means that sixteen new contracts will have to be negotiated for fiscal year 1979. Additional pressure on the staff results because the legislature does not adjourn usually until mid-April. Negotiations which begin at that time, therefore, should end by the end of the fiscal year, June 30, for all sixteen unions. Meeting that schedule, of course, is impossible. This situation causes low morale and hampers communication with faculty and classified workers on the campuses.

TABLE 19

MONTANA UNIVERSITY SYSTEM
FACULTY COLLECTIVE BARGAINING STATUS

	Agreement 1975-77	Agreement 1977-79	Scheduled For 1979-81	Collective Bargaining in Progress
University of Montana			AFT	(for 1977-78)
Montana State University	(NO COLLECTIVE BARGAINING - UNIT DETERMINATION ONLY)			
Eastern Montana College			AAUP	(for 1977-79)
Western Montana College			NEA	
Montana Tech	(NO COLLECTIVE BARGAINING)			
Northern Montana College			NEA	(Pre-budget Negotiations)

TABLE 20

MONTANA UNIVERSITY SYSTEM
CLASSIFIED COLLECTIVE BARGAINING UNIONS AND NUMBER OF EMPLOYEES

Classified Unions	Montana State University	University of Montana	Eastern Montana College	Montana Tech	Western Montana College	Northern Montana College	TOTALS
AFSCME	30					64	94
Carpenters	11	6	3	1			21
Electricians	11	4	2				17
Laborers	75	7	33				115
Machinists	3	4					7
MPEA	559	478	100	65			1202
Operating Engineers	8	8		6	5		27
Painters	11	6	3	1			21
Printers		12					12
Plumbers	13	5	3				21
Retail Clerks and Teamsters	52	56					108
TOTALS	773	586	144	73	5	64	1645

LEGAL SERVICES

In his book, The Law of Higher Education, William A. Kaplan states:

> "The law has arrived on the campus - sometimes it has been a beacon, other times a blanket of ground fog. But even in its murkiness the law has not come on little cat feet, like Carl Sandburg's fog; nor has it sat silently on its haunches; nor will it soon move on. It has come noisily and sometimes has stumbled. And even in its imperfections the law has spoken forcefully and meaningfully to the higher eudcation community and will continue to do so."

The murkiness, the amorphousness of college and university law has been aggravated, triggered and incited by the Civil Rights Act of 1964, by affirmative action, by developing concepts of equal protection, due process and rights of privacy, by freedom of information, by compliance standards of federal programs and, in Montana, by relinquishment of sovereign immunity, by the guarantee of collective bargaining for the higher education community, and by the need to develop University System administrative procedure policies. This recitation could be continued almost *ad infinitum*.

The legal problems and the complexity of these problems have pullulated like lemmings, but unlike the lemmings they don't swim out to sea and disappear. College and university law has grown at an awesome rate since Daniel Webster argued the landmark Dartmouth College case in 1804. Yet, like geriatrics, it is in its infancy.

With six units, each with a distinctive individuality, the Montana University System reborn with the 1972 Constitution, governed by a Board of Regents feeling their way through the pitfalls of constitutional autonomy, has faced and faces a range of legal problems far exceeding those of any other state department or agency with the possible exception of the Office of Attorney General. Yet on October 31, 1974, the Attorney General, in a letter to the Commissioner of Higher Education, stated that the Attorney General's office would not provide any legal services to the University System since the Commissioner at that time had one part-time lawyer on his staff. At present there are two lawyers in the Commissioner's office, and one each at the University of Montana and Montana State University, both of whom report to the Chief Counsel in the Commissioner's office. Thus, there are four lawyers to discharge all the legal responsibilities for the University System. Two of these lawyers are very heavily involved also in labor negotiations. (The rest of state government has 72 lawyers, and an additional 60 - 70 on retainer.)

A summary of litigation handled by the legal division in the Commissioner's office since 1973 indicates in some measure the scope of our activities.

1. Robert E. Sullivan v. Teachers Retirement Board. From an adverse lower court decision, we assisted Dean Sullivan as an amicus curiae in gaining retirement credit for prior out of state service. The case was one principally of statutory construction.

2. Burlington Northern, Inc. v. Flathead County and Flathead Community College. On behalf of the college, we secured the right of the county to levy for retirement contributions made by the college to the Teachers Retirement Fund.

3. Board of Regents of Higher Education v. Thomas L. Judge. We, along with retained counsel, litigated this landmark case which dealt with the scope of constitutional authority of the Regents. This was an original proceeding in the Supreme Court.

4. Montana State University v. Ransier. We successfully resisted the appeal here. The principal question involved was the authority of Montana State University to impose fines for parking violations on the campus.

5. Bonnie Ford v. University of Montana and Missoula Typographical Union. We have taken an appeal in this case which involved a claim for lost wages, mental distress and reinstatement to day shift on the basis of seniority. The judgment was for lost wages only.

6. Sandra Johnson v. University of Montana. We successfully upheld the Law School's decision not to continue or graduate this student. The controversy centered on a grade point provision of the Law School bulletin.

7. Holloway v. University of Montana. We successfully upheld the refusal of the University to grant a graduate degree on the grounds that the student failed to earn a "C" grade in a particular course. This case pronounced new law in Montana on uncontroverted testimony and the purpose and scope of findings of fact and conclusions of law.

In various district courts throughout the state, the legal staff has represented the Board of Regents, Commissioner of Higher Education and several units and their presidents in 23 cases.

Five cases were handled by the state indemnity carrier with some help from our legal staff - three were personal injury, one libel, and one damages for negligent certification of seed potatoes.

In one case, Salish and Kootenai Tribes v. Namen, et al., involving control of the bed and banks of the Flathead, since we own shore land would be affected, we have been assisting counsel for the defendants.

Five cases involved community colleges, in two of which we assisted the county attorney and three of which, involving tax levies, we handled the brunt of the work.

The district court cases have been previously reported; seriatim listing here would not be too helpful. In summary, we handled cases ranging in importance from the Mecklenberg case involving discrimination of female faculty members to a simple minor breach of employment contract. These actions have included preferential rights to summer assignments, retroactive promotion and promotion, tenure rights, denial of graduate degree, challenge on non-residency policies, pay scales for classified employees, pay discrimination, salary disputes, trade secrets, confidential patent disclosure, enjoining publication of agricultural engineering research paper, and campus housing.

Several of these are inactive which we will move to dismiss for failure to prosecute. We lost three cases including the landmark Mecklenberg case, and prevailed in others.

Bankruptcy: We have successfully resisted discharge of two student loans in federal bankruptcy court, and are resisting discharge in a pending case.

Administrative Appeals: This aspect of our workload is increasing. In the past year, the Commissioner heard six appeals other than residency from the campuses. The complexity of these appeals is increasing and now often involves briefs, written statements, transcripts, oral arguments and submission of new evidence. A significant but largely unrecognized part of the Commissioner's job is his adjudicatory function.

During the past fall quarter, the Commissioner ruled on 45 residency appeals and overruled campus classification in 20 appeals.

Students are becoming more knowledgeable of this appeal right and the volume of appeals can be expected to increase.

Administrative Proceedings: We have participated as the respondent in four proceedings before the Human Rights Commission, and several proceedings before the Board of Personnel Appeals.

In addition to the foregoing, the greater part of our legal staff's work is devoted to legal research, furnishing legal advice and legal opinions on a wide range of questions and problems. As our expertise increases, many of the questions are more readily answered. However, as our skills improve it seems the number of questions increase and always we encounter questions of first impression.

Legal opinions to the Commissioner's staff and the campuses have dealt with a wide variety of subjects. Illustrative of the nature and scope are these:

1. Duty of Bureau of Mines and Geology to evaluate land subdivision proposals.

2. Faculty sabbaticals as creditable service under the Teachers Retirement Act.

3. Necessity for hardcore documentation as authorization for issuance of state warrants.

4. Right of Board of Regents to deny or grant facilities to the Law Enforcement Academy.

5. Corporate contributions to the six mill levy campaign.

6. Effect of lump sum annual and sick leave payments on teachers' retirement rights.

7. Personal liability of faculty members or staff for student personal injuries arising out of school-sponsored activities (field trips, etc.)

As society in general becomes more litigious, and as students and faculty become more familiar with the appeals mechanisms available to them under Regents' policy, we can expect the volume of legal work in the Commissioner's office to increase markedly. Given the constitutional independence of the Regents, it is probably preferable that the University System continue to provide its own legal services rather than relying on the Attorney General, yet the number of lawyers engaged by the System is surely going to have to increase.

Judged on the number of employees (aside from 25,000 increasingly litigious students), the University System constitutes just under one-fourth of state government in Montana. Yet we employ only about one of each 20 attorneys who work for the state, and none of the more than 60 attorneys who are retained regularly by the state.

PUBLIC SUPPORT

Public support of higher education is hard to assess. Even scientific poll data, if we had any, would probably measure only crystallized opinions on current problems rather than probing latent attitudes about the several roles played by public colleges in our society, or those services which they provide and which are largely taken for granted.

We can probably conclude that in any state there will be some public disenchantment over the antics of some students and faculty; there will always be those who disagree with the political stands of some faculty; there will be a small but persistent covey of poor citizens who resent all taxation and all public expenditures, including those for higher education; there will be those who regard the governing board or the campuses as arrogant and unaccountable; there will be a few politicians who find higher education to be an easy and convenient target for their occasional demogoguery; there will be a few ideologues with time on their hands who are troubled by what they imagine is being taught in the classrooms, and will want to substitute whatever clutch of biases they espouse; there will be strong partisans of a single campus who, in an integrated statewide system, will believe their institution to be discriminated against; and there will be local legislators and newspapers who will echo that catechism.

But underlying all of that will be a fundamental and widespread belief in public education at all levels and an appreciation of the importance of providing educational opportunity, an enlightened citizenry and the technical and intellectual capacity to confront society's problems. This basic public faith in higher education, however, is not in itself newsworthy, and often we lose sight of it as we engage in more superficial conflicts.

One measure of public support is the extent to which the people are willing to tax themselves in behalf of a public service. Part of the revenue for the Montana University System comes from a statewide property tax ("the 6-mill levy") which must be renewed every decade by the voters. By all accounts 1978 was a year of fervent anti-tax sentiment nationwide, and voters in several states adopted measures to limit or reduce taxes and public expenditures. Yet in Montana the six-mill levy carried by the largest margin in its 30-year history, as Table 21 reveals.

TABLE 21

VOTER SUPPORT FOR STATEWIDE 6-MILL LEVY
FOR THE MONTANA UNIVERSITY SYSTEM

	1948	1958	1968	1978
Vote For	77,820	89,251	127,625	181,920
Vote Against	50,167	84,002	89,396	88,641
Margin	27,653	5,249	38,229	93,279
Counties Won	46	35	53	56
Counties Lost	10	21	3	0

It is difficult (and sometimes awkward) to try to assess the reasons for such a substantial voter approval of a referendum. Certainly first credit must go to the campaign director and his assistants, and the members of the campaign committee. Near-unanimous editorial endorsements and the open support of many interest groups had a powerful effect. Students at some campuses contributed significantly to the effort. But there were two conditions that changed during the ten years since the last vote on the question in 1968; students became eligible to vote, and a new constitution was adopted, changing the form of governance for higher education in Montana. It is hard to isolate the effects of each of these factors. We do know, however, that as we campaigned for the referendum in all areas of the state we tied our appeal for support to a report on the progress we believe we have made under the new system and what our goals and objectives have been. I believe the Board of Regents can be confident that there is overwhelming public support for the University System and for continuing the progress toward integration which has been made during the last five and one-half years.

SUMMARY

The first Board of Regents and the first Commissioner under the new form of governance have had a challenging and rewarding experience during these five and one-half years. We have set the University System on a new course in response to constitutional change and public expectations. With the filing of this report, my job as the first Commissioner is complete.